

CAPITAL
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Capital Four Holding A/S
Per Henrik Lings Allé 2, 8th floor
2100 Copenhagen Ø
CVR-no. 36 44 06 78

This annual report has been adopted at the
company's annual general meeting on April 26, 2024
Chairman of the meeting:

Lars B. Sørensen

Annual Report January 1 - December 31, 2023

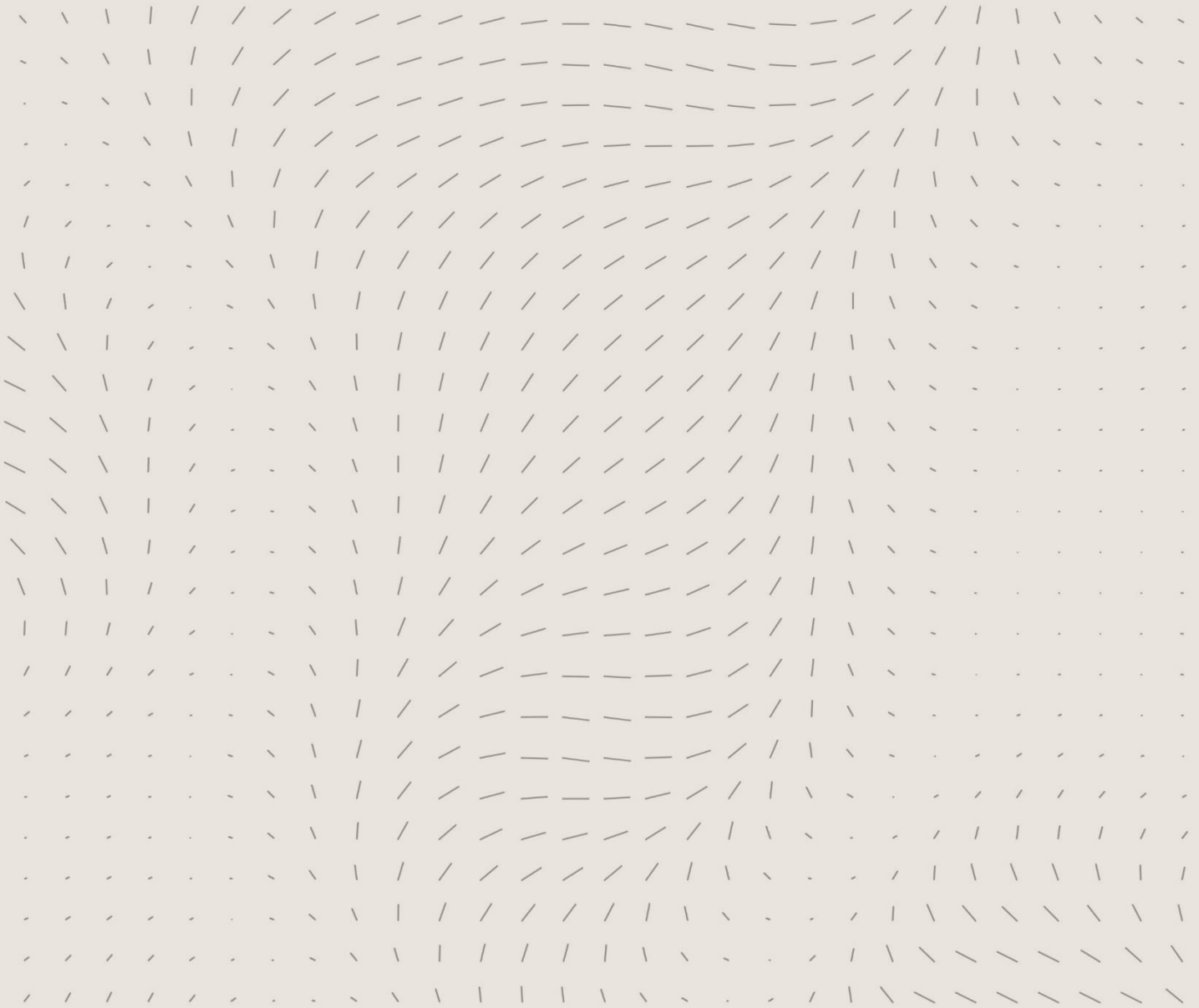


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Company Details

Capital Four Holding A/S
Per Henrik Lings Allé 2, 8th floor
2100 Copenhagen Ø
CVR-no.: 36 44 06 78
Domicile: Copenhagen

Phone: +45 35 25 61 00
Internet: www.capital-four.com
E-mail: financials@capital-four.com

Board of Directors

Cyrus David Jilla, Chairman
Jonathan Paul Asquith
Dominic Fry
Niels Henrik Roth
Jonathan DeSimone
Sandro Näf
Torben Maggaard Skødeberg
Henrik Østergaard

Board of Management

Sandro Näf
Torben Maggaard Skødeberg

Subsidiaries

Capital Four Management
Fondsmæglerselskab A/S
Capital Four AIFM A/S
Capital Four – Strategic Lending Fund GP ApS
Capital Four CLO Management GP ApS
Capital Four CLO Management II GP ApS
Capital Four US Inc.

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Banks


Jyske Bank A/S

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Statement by the Board of Directors and the Board of Management

Copenhagen, March 21, 2024

Board of Management

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Sandro Näf

DocuSigned by:

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Torben Maggaard Skødeberg

Board of Directors


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Cyrus Jilla
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Cyrus David Jilla (Chairman)


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Anders Puelshøj Olsen
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Jonathan Paul Asquith

DocuSigned by:

Dominic Fry
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Dominic Fry

DocuSigned by:

Niels Roth
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Niels Henrik Roth

DocuSigned by:

Jonathan DeSimone
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Jonathan DeSimone

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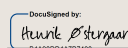
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Sandro Näf

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Torben Maggaard Skødeberg
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Torben Maggaard Skødeberg

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Henrik Østergaard
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Henrik Østergaard

The Board of Directors and Board of Management have today discussed and approved the Annual Report for the financial year January 1 – December 31, 2023 for Capital Four Holding A/S.

The Annual Report has been prepared in accordance with the Danish Investment Firms Act.

The financial statements give a true and fair view of the Group and the Company's assets, liabilities, equity and financial position as of December 31, 2023 and of the results of operations for the financial year January 1 – December 31, 2023.

The Management's Review gives a fair view of the development in the group and the Company's operations and financial matters as well as a description of the most material risks and elements of uncertainty that may affect the Company.

We recommend that the Annual Report is approved at the Annual General Meeting.

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Independent Auditor's Report

To the shareholders of Capital Four Holding A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Capital Four Holding A/S for the financial year January 1 – December 31, 2023, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Investment Firms Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at December 31, 2023 and of the results of the Group and the Parent Company's operations for the financial year January 1 – December 31, 2023 in accordance with the Danish Investment Firms Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, March 21, 2024
EY GODKENDT
REVISIONSPARTNERSELSKAB
CVR no. 30 70 02 28

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Anders Duedahl-Olesen

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Anders Duedahl-Olesen
State Authorized
Public Accountant
mne24732

DocuSigned by:

Bjørn Würtz Rosendal

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Bjørn Würtz Rosendal
State Authorized
Public Accountant
mne40039

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Investment Firms Act.

Independent auditor's report

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Investment Firms Act. We did not identify any material misstatement of the Management's review.

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Management's Review

Company's Background

Capital Four Holding A/S is a financial holding company founded in 2014 by an exchange of shares from Capital Four Management Fondsmæglerselskab A/S.

Capital Four (representing Capital Four Holding A/S, Capital Four Management Fondsmæglerselskab A/S and Capital Four AIFM A/S) was founded on two strategic thrusts: (1) Attractive industry growth of credit markets; (2) Need for specialist Asset Management expertise to manage credit strategies. The growth of the Private Equity industry has been a powerful driver of the global leveraged finance markets. We are benefitting from this trend, as our investable universe is growing at a substantially higher rate than the overall GDP.

Capital Four was established in 2007 with the aim to provide top performing investment results in Leveraged Finance strategies to institutional investors. Over the years we have continuously grown our organization in number of people, investment know how and scope of our investment strategy offerings.

Management's Review

The broader European High Yield and Leveraged Loan markets produced solid positive returns in 2023. This was despite experiencing periods of volatility, primarily due to the global banking turmoil in the first quarter and persistently high inflation data that supported expectations that global interest rates would remain higher for longer.

At Capital Four our diversification efforts to cover a wider range of credit strategies protected us from declining revenues. In particular, our efforts to increase our exposure to long-term committed investment vehicles (CLOs, draw-down PD Funds and Mandates with Institutional Investors).

Today, Capita Four is more resilient than ever and has a broad and diversified exposure to:

- High Yield Bonds (Mutual Funds and Mandates)
- Multi Asset Credit (Mutual Funds and Mandates)
- Leveraged Loans (CLOs, Mandates and Institutional Funds)
- Structured Credit (Funds and sleeves of MAC portfolios)
- Private Debt (Draw down Funds and Mandates)

Despite our resilient revenue development during the year we did not manage to increase our profit margin as we have invested in ESG, Private Asset solutions and further digitalization of the investment process.

Although we are respectful of the negative developments of our profit margins, we believe we have a healthy cost structure, which allows us to continue to invest in the future of our business and benefit from opportunities in the current environment.

Key strategic highlights for the year were:

- Enhancing digitalization and process efficiency in our investment organization (implementation of refined scores and new Research Management system)
- Initiation of our first graduate program (new hires from Universities) with a highly diverse team of talented young professionals
- ESG

Management and Directorships

For a specification of the individual Board of Directors members' Management and Directorships see note 19 in the Annual Report. For remuneration details please refer to the Company's policy.

Uncertainty with regard to recognition and measurement

No uncertainty with regard to the recognition and measurement exists apart from what is mentioned under accounting policies, just as no exceptional circumstances affecting the recognition and measurement occurred during the financial year.

Risk Exposure and Management

As a financial institution Capital Four accepts risks to a market related, credit related and operational nature. Management of these risks is a significant activity in the company. Risks are controlled by the company having updated business procedures, including IT technology and trading systems ensuring proper management of the company.

Net profit and Equity

Net result for the period shows a net profit of DKK 84,781 K. The result has been impacted by the investment in the US business during 2023. The net profit for the period is deemed to be satisfactory.

Distribution to owners in 2023 amounts to DKK 50,000 K.

After transfer of the net result for the period, the equity is DKK 149,398 K as per December 31, 2023.

Social Gender diversity

Social Gender diversity on the Board of Directors (w/m%) 0% in 2023 (0% 2022).
Gender diversity of Board of Management and persons reporting to BoD (w/m%) 25% in 2023 (25% 2022).
Gender diversity in senior leadership positions (w/m%) 23% in 2023 (23% in 2022).

Board of Directors, proposed dividend

The Board of Directors propose a dividend of DKK 50,000 K at the company's annual general meeting.

Subsequent event

After the balance sheet date, the Company has acquired 81,4% of Vantage Infrastructure Holdings Limited as of February 5, 2024.

No other events have occurred after the balance sheet date which significantly affects the Company's financial position as of December 31, 2023.

Outlook for 2024

Although we are respectful of the prevailing geopolitical uncertainties and likely continued high market volatility we believe we operate in a very attractive industry. The trend to diversify institutional and private wealth portfolios more into alternative asset classes (private equity, private debt, infrastructure etc.) provides a solid backdrop for continued strong support of the asset classes we manage.

We also believe, that attractive industry fundamentals cause increased competition going forward and require us to continue to invest in our platform to be well-prepared for the future. This requires further investments into technology, ESG and scaling the size of our organization to compete effectively in our markets. With the efforts and investments we have already made during the last years, we believe we have laid a solid foundation for a successful journey for the years to come.

Business continuity plan

The number one priority of the Company is the safety and well-being of its stakeholders and employees. The continuity plan put in place allows the Company to remain fully operational and to perform its activities at all times. We are able to access the systems remotely and on-premise in a seamless way.

Social Gender diversity

Social Gender diversity on the Board of Directors (w/m%) 0% in 2023 (0% 2022).

Gender diversity of Board of Management and persons reporting to BoD (w/m%) 33% in 2023 (33% 2022).

Gender diversity in senior leadership positions (w/m%) 23% in 2023 (23% in 2022).

Knowledge resources

The Company's core business is management of assets in credit strategies. This requires a high level of knowledge and competences in the organisation. The employees are therefore characterized by being highly qualified and educated within the financial market.

Committed and motivated employees are crucial for the company's continued operation and development. It is vital for the company to retain and attract competent employees. Numerous efforts are being made to attract and retain employees with a high level of experience and professional competence, and we have a strong focus on development of employee skills. This is the prerequisite for continued positive results and expansion of the business base.

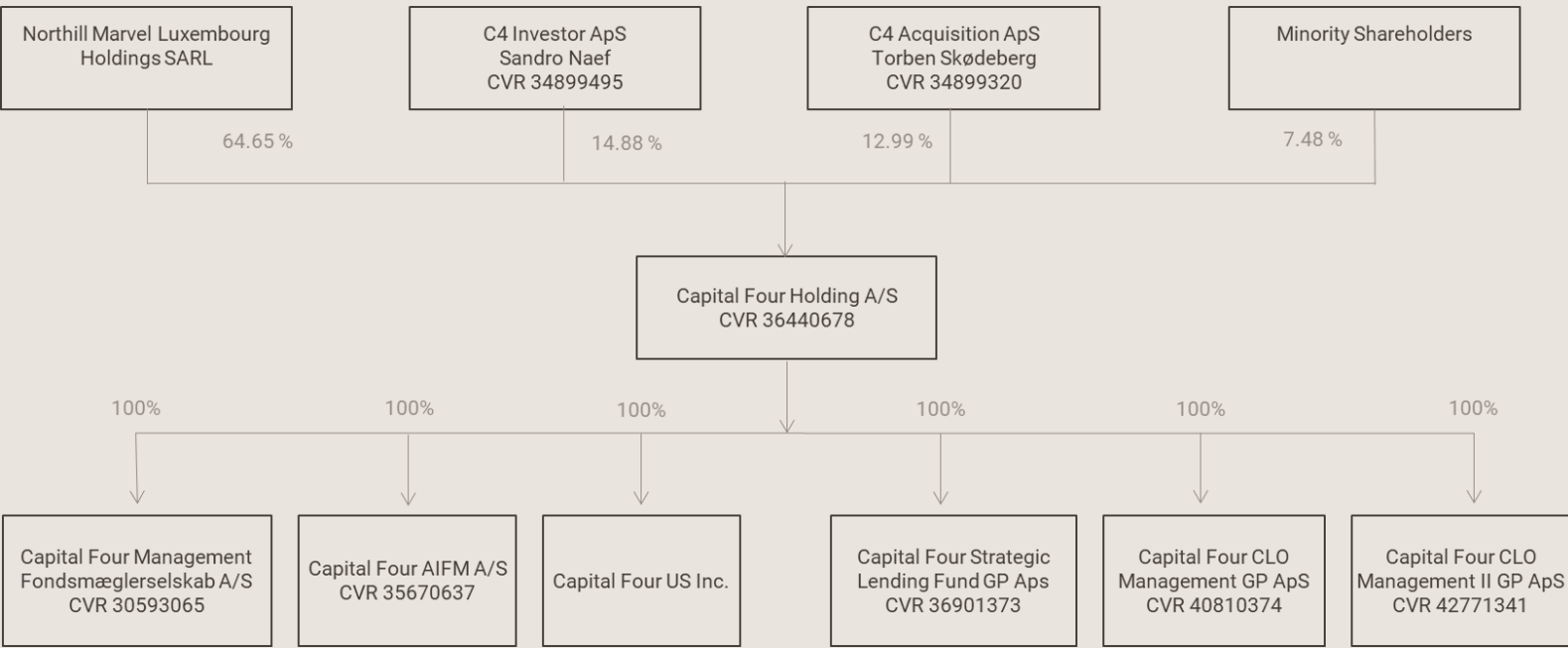
Through various initiatives, the Group seeks to offer an attractive workplace for employees and honour employees with a competitive remuneration consisting of a fixed salary and a variable compensation scheme, which is determined, inter alia, from the results achieved.

Management and ownership

Capital Four Holding A/S is the parent company of the Capital Four group. The activities within the group are carried out by Capital Four Management Fondsmæglerselskab A/S, Capital Four AIFM A/S and Capital Four US Inc. primarily.

The board of directors has seven members, two of whom are also represented on the board of Management.

Capital Four Controlling Interest Structure



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Income and Comprehensive Income Statement

January 1 - December 31, 2023

Notes	Amounts in DKK'000	Group		Parent	
		1/1/23- 12/31/23	1/1/22- 12/31/22	1/1/23- 12/31/23	1/1/22- 12/31/22
3	Interest income	1,492	32	7,036	3,884
4	Interest expenses	- 151	- 145	- 64	-
	Net interest income	1,341	- 113	6,972	3,884
5	Fees and commissions income	455,175	364,938	-	-
	Paid fees and commissions expenses	- 52,896	- 39,253	-	-
	Net interest and fee income	403,620	325,572	6,972	3,884
6	Value adjustment	- 283	- 362	- 4,549	2,077
7	Staff costs and administrative expenses	- 283,426	- 245,792	- 1,276	- 933
	Depreciation and impairment of property, plant and equipment	- 1,482	- 2,228	-	-
	Income from equity investments in subsidiaries	-	-	122,440	101,496
10	Loan impairment charges			-138,967	
	Profit before tax	118,429	77,190	- 15,380	106,524
8	Taxes	- 42,315	- 29,438	- 245	- 1,106
	Profit for the year	76,114	47,752	- 15,625	105,418
	Comprehensive income	-	-	-	-
	Total Comprehensive income	76,114	47,752	- 15,625	105,418
Allocation of the result					
	Proposed dividend			50,000	28,000
	Paid, interim dividend			-	25,000
	Revaluation reserve according to the equity method			9,073	11,081
	Accumulated result			- 74,698	41,337
	Total allocation			- 15,625	105,418

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Balance Sheet as of December 31, 2023

Assets

Notes	Amounts in DKK'000	Group		Parent	
		12/31/23	12/31/22	12/31/23	12/31/22
	Cash and demand deposits with central banks				
9	Receivables from credit institutions and central banks	100,246	54,115	29,189	3,618
11	Equity investments in subsidiaries	-	-	52,282	43,209
12	Other property, plant and equipment	329	1,737	-	-
	Deferred tax	2,877	4,698	-	-
10	Other assets	121,793	79,384	74,000	150,174
	Prepayments	19,105	23,785	-	-
	Total assets	244,350	163,719	155,471	197,001

Liabilities & Equity

Notes	Amounts in DKK'000	Group		Parent	
		12/31/23	12/31/22	12/31/23	12/31/22
	Tax liabilities	7,040	2,371	306	1,106
	Other liabilities	96,529	73,079	259	616
	Total liabilities	103,569	75,450	565	1,722
13	Share capital	704	704	704	704
	Retained earnings	90,077	59,565	64,143	135,589
	Revaluation reserve in accordance with the equity method	-	-	40,059	30,986
	Proposed dividend	50,000	28,000	50,000	28,000
	Total equity	140,781	88,269	154,906	195,279
	Total liabilities & equity	244,350	163,719	155,471	197,001
14	Contingent and contractual liabilities				
15	Security provided				
16	Related parties				
17	Capital adequacy requirements				
18	Risk management				
19	Management and Directorships				

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Statement of Changes in Equity and Comprehensive Income as of December 31, 2023

Amounts in DKK'000	Share capital	Revaluation reserve according to the equity method	Retained earnings	Proposed dividend	Total
Group:					
Formation as of 1/1/22	684	-	65,323	35,000	101,007
Share increase	20		- 20		-
Purchase of own shares	-	-	- 6,695		- 6,695
Comprehensive income for the period	-	-	- 5,248	53,000	47,752
Exchange rate adjusted	-	-	- 801	-	- 801
Distribution to owners			1,423	60,000	- 58,577
Issue of restrictive stock awards	-	-	5,583	-	5,583
Equity as of 12/31/22	704	-	59,565	28,000	88,269
Formation as of 1/1/23	704	-	59,565	28,000	88,269
Share increase	-		-		-
Purchase of own shares	-	-	- 2,000		- 2,000
Comprehensive income for the period	-	-	26,114	50,000	76,114
Exchange rate adjustment			1,146		1,146
Distribution to owners	-	-	618	- 28,000	- 27,382
Issue of restrictive stock awards	-	-	4,634	-	4,634
Equity as of 12/31/23	704	-	90,077	50,000	140,781

Statement of Changes in Equity and Comprehensive Income as of December 31, 2023

Amounts in DKK'000	Share capital	Revaluation reserve according to the equity method	Retained earnings	Proposed dividend	Total
Parent:					
Formation as of 1/1/22	684	19,905	93,961	35,000	149,550
Purchase of own shares	20	-	20		-
Comprehensive income for the period	-	-	- 6,695	-	6,695
Change in equity, for the period:	-	11,081	41,337	53,000	105,418
Distribution to owners	-	-	1,423	60,000	58,577
Issue of restrictive stock awards	-	-	5,583	-	5,583
Equity as of 12/31/22	704	30,986	135,589	28,000	195,279
Formation as of 1/1/23	704	30,986	135,589	28,000	195,279
Share increase	-	-	-	-	-
Purchase of own shares	-	-	- 2,000	-	- 2,000
Comprehensive income for the period	-	9,073	- 74,698	50,000	- 15,625
Distribution to owners	-	-	618	- 28,000	- 27,382
Issue of restrictive stock awards	-	-	4,634	-	4,634
Equity as of 12/31/23	704	40,059	64,143	50,000	154,906

Since 2016 the Company has issued restrictive stock awards which gives the right to ordinary shares in the Company at a given time 4 years after the grant date.

The Company's holding of own shares amount to 11,277 corresponding to a nominal holding of 11,277 (1,6% of the total nominal share capital).

In 2023 the Company has acquired a nominal holding of 673 own shares corresponding to DKK 2,000 thousand (0,1% of the total nominal share capital) to cover the issued restrictive stock awards.

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Notes

1 Accounting policies**GENERAL**

The annual report is prepared in accordance with the Danish Investment Firms Act.

Changes in accounting policies

The accounting policies are unchanged from the annual report for 2022.

The company has received the Danish Financial Supervisory Authority's approval to present the annual report in the English language only.

Consolidated financial statements

The consolidated financial statements include the parent and any subsidiaries in which the parent, directly or indirectly, holds more than 50% of the voting rights or in which it has a controlling influence through agreements. Enterprises in which the group holds between 20% and 50% of the voting rights and in which it has a substantial, but not controlling influence, are considered associates.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements are prepared by combining the audited financial statements of the parent and its subsidiaries by aggregating uniform items. The consolidation eliminates intercompany income and expenditure, shareholdings, balances and dividends as well as unrealized intercompany gains and losses on inventories and non-current assets.

Newly acquired or newly founded enterprises are recognized in the consolidated financial statements as from the time of acquisition. Divested or discontinued enterprises are recognized in the consolidated income statement up until the time of divestment or discontinuation. Comparative figures are not restated for newly acquired, divested or discontinued enterprises.

Gains or losses on the divestment of subsidiaries and associates are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of divestment, including non-amortized goodwill, as well as the expected costs of divestment or discontinuation.

New enterprises are recognized in accordance with the purchase method, according to which the identifiable assets and liabilities of the newly acquired enterprises are recognized at fair value at the time of acquisition. A provision is made to cover expenses incidental to decided and announced restructuring in the acquired enterprise in connection with the acquisition. The tax effect of any reassessments is recognized.

Intra-group business combinations

In connection with business combinations such as acquisition and disposal of equity investments, mergers, demergers, addition of assets and exchange of shares, etc., involving enterprises controlled by the parent company, the uniting of interests method is used.

Differences between the agreed consideration and the carrying amount of the acquired enterprise are recognized in equity. Moreover, comparative figures for previous financial years are restated.

Recognition and measurement in general

In the Income statement, income is recognized as earned, including value adjustments of financial assets and liabilities. In the Income Statement, all expenses, including depreciation and impairment losses, are recognized as well.

In the Balance sheet, assets are recognized when the economic benefits are likely to be realized and when the asset value can be measured in a reliable manner. Liabilities are recognized when they are likely to be realized and when they can be measured in a reliable manner. On subsequent recognition, financial assets and liabilities are measured as described below for each specific entry.

REPORTING CURRENCY

The Annual Report is presented in Danish kroner.

Foreign currency translation

Transactions in foreign currency are translated into Danish kroner using the exchange rate ruling on the date of the transaction.

Receivables and liabilities in foreign currency are translated into Danish kroner at the exchange rates at the balance sheet date. Realized and unrealized exchange gains and losses are recognized in the income statement under value adjustments.

INCOME STATEMENT**Interest income and fee income**

Interest income consists of interest and similar income and will be accrued over the specific periods to which they relate and will be recognized in the income statement with the amounts related to the specific financial reporting period.

Fee income includes income concerning discretionary capital management at the clients' expense, including administrative fees in particular.

Performance fees are recognized as income when the Company obtains definitive rights to the fee.

Fee and commissions expenses

These include the company's fees for banks, payments and other charges related to the company's fee income.

Value adjustments

Realized and unrealized capital gains and losses are recognized in the income statement, including any value adjustments of assets and liabilities measured at fair value.

Staff costs and administrative expenses

These include staff, management and administrative expenses, including expenses, related to office rental.

Employee share-based payment (warrants and stock awards) are recognized as an expense in the Income Statement at the grant date. Similarly, recognition is made by a corresponding increase in other reserves in equity. The share-based payments are measured at fair value at the grant date.

Depreciation

Depreciation of property, plant and equipment aims at systematic depreciation over the expected useful lives of the assets.

The following depreciation period is applied by the company:

Fixtures and fittings, tools and equipment:	3-5 years
Leasehold improvements:	5 years

Tax

Tax for the year comprises current tax, joint taxation contribution and changes in deferred tax for the year.

Tax relating to the profit/loss for the year is recognized in the income statement, and the tax relating to equity transactions are directly recognized in equity.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET**Receivables from credit institution and central banks**

On initial recognition, receivables from credit institutions and central banks are recognized at their fair values and subsequently at amortized cost.

Other property, plant and equipment

Property, plant and equipment comprise leasehold improvements and other fixtures, fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment.

Equity investments in subsidiaries

Equity investments in subsidiaries are recognized and measured using the equity method.

Equity investments in subsidiaries are recognized in the balance sheet at the proportionate share of the investment in such enterprises adjusted for the remaining value of positive or negative goodwill and unrealized intercompany profits and losses.

The net profit or loss of the subsidiaries is recognized in the income statement as the proportionate share made up of the equity investments.

Net revaluations of the investments in subsidiaries are transferred to the reserve for net revaluation, according to the equity method, to the extent that the carrying amount exceeds the acquisition value.

Impairment of assets

The carrying amount of non-current assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation/amortization.

If there are indications of impairment, an impairment test is conducted on individual assets or groups of assets. The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the disposal of the asset or group of assets after the expiry of their useful lives.

Other assets

Receivables and receivables related to fees for portfolio management are measured at amortized cost, which usually corresponds to the nominal value. The value is reduced by provisions for bad debts.

Receivables, where there has not been a significant increase in credit risk since the first recognition, are written down by an amount corresponding to the statistically expected loss in the coming 12 months, while receivables on which there has been a significant increase in the credit risk are written down by an amount corresponding to the expected loss in the residual maturity of the receivable. For receivables that are impaired (non-performing), only interest on the written-down amount is recognized as income. The Group does not provide loans and has therefore not developed models for use in the write-down of loans and receivables. Write-downs are based on individual assessments and estimates.

Prepayments

Prepaid expenses incurred on or before the balance sheet date but concerning subsequent reporting periods are recorded as prepayments. Prepaid expenses are measured at cost.

Equity and dividend

The proposed dividend for the financial year is recognized as a special item under equity.

Premiums for warrants and stock awards and the redemption of warrants and stock awards on the company's shares are recognized as a change in equity in other reserves.

Acquisition costs, selling prices and dividend of own shares are recognized direct in retained earnings under equity.

Net revaluations of the investments in subsidiaries are transferred to the reserve for net revaluation, according to the equity method, to the extent that the carrying amount exceeds the acquisition value.

Acquisition costs

Consideration and dividend of own shares are recognized directly in retained earnings and equity.

Current and deferred taxes

Current tax payable and receivable is recognized in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for any tax paid on account.

Provisions for deferred tax are calculated at 22% of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax assets are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or a set off against deferred tax liabilities.

Other liabilities

Other liabilities are measured at their net realizable values.

Expenses that are not due until the subsequent reporting year are recognized under other liabilities.

Financial highlights

The financial highlights have been prepared in accordance with the Danish Financial Supervisory Authority's executive order on financial reports of credit institutions and stock broker companies.

2 Group Five-year summary (key figures and financial ratios)

Amounts in DKK'000	1/1/23- 12/31/23	1/1/22- 12/31/22	1/1/21- 12/31/21	1/1/20- 12/31/20	1/1/19- 12/31/19
Net interests and fee income	403,620	325,572	311,603	290,896	273,812
Value adjustments	- 283	- 362	1,018	- 661	- 23
Staff costs and administrative expenses	- 283,426	- 245,792	- 208,612	- 135,742	- 134,020
Profit for the year	76,114	47,752	64,378	114,179	106,469

	12/31/23	12/31/22	12/31/21	12/31/20	12/31/19
Equity	140,781	88,269	101,007	94,779	90,858
Total assets	244,350	163,719	174,699	174,699	141,665

	12/31/23	12/31/22	12/31/21	12/31/20	12/31/19
Own funds in relation to minimum capital requirement	1.90	1.26	1.98	5.47	1.41
Solvency ratio	189.6%	125.9%	198.2%	43.8%	11.3%
Core capital ratio	189.6%	125.9%	198.2%	43.8%	11.3%
Return on equity before tax	103.4%	81.6%	99.0%	158.4%	165.5%
Return on equity after tax	66.5%	50.5%	65.8%	123.0%	128.4%
Income/cost ratio	1.42	1.32	1.49	2.14	2.04

Amounts in DKK'000	Group		Parent	
	1/1/23- 12/31/23	1/1/22- 12/31/22	1/1/23- 12/31/23	1/1/22- 12/31/22
3 Interest income				
Interest credit institutions and central banks	1492	-	277	-
Intercompany interests	-	32	6759	3,884
Total	1492	32	7036	3,884
4 Interest expenses				
Interest credit institutions and central banks	87	145	-	-
Other interest expenses	64	-	64	-
Total	151	145	64	-
5 Fees and commissions				
Fees and commissions income	455,175	364,938	-	-
Total	455,175	364,938	-	-
<p>The Company has not reported net interest and fee income on activity and geographical markets. It is estimated that there is not significant deviation between the activities and geographical areas, and therefore no segment information is presented.</p>				
6 Value adjustments				
Currency adjustments	-283	-362	-4,549	2,077
Total	-283	-362	143,516	2,077

Amounts in DKK'000	Group		Parent	
	1/1/23- 12/31/23	1/1/22- 12/31/22	1/1/23- 12/31/23	1/1/22- 12/31/22
7 Staff costs and administrative expenses				
Board of Directors	700	700	-	-
Board of Management, fixed salary	6,280	8,210	-	-
Board of Management, variable salary	-	-	-	-
Risk-takers, fixed fee	5,881	5,832	-	-
Total	12,861	14,742	-	-

Salaries and remuneration to the Board of Management, the Board of Directors and employees with influence on risk.

Staff salaries	165,222	136,105	-	-
Staff pensions	8,630	8,669	-	-
Social security costs	2,034	1,535	-	-
Payroll tax	16,523	12,897	-	-
Total staff costs	205,271	173,948	-	-
Other administrative expenses	78,155	71,844	1,276	933
Total staff costs and administrative expenses	283,426	245,792	1,276	933

Average number of employees in the period	112	105	-	-
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Number of employees defined as risk-takers:

Board of Directors	7	7	7	7
Board of Management	2	2	2	2
Risk-takers	4	4		
Total	13	13	9	9

Amounts in DKK'000	Group		Parent	
	1/1/23- 12/31/23	1/1/22- 12/31/22	1/1/23- 12/31/23	1/1/22- 12/31/22
7 Staff costs and administrative expenses, continued				
Fees for statutory audits of annual accounts	451	343	45	28
Fees for assurance engagements other than audit	362	336	34	57
Fees for tax advisory services	-	174	-	-
Fee for other services	-	-	-	-
Total Audit fee	813	853	79	85

Fees to the Board of Directors of Capital Four Holding A/S are linked to in the management review.

There are no pension commitments on the company as the company's pension plan is a defined contribution plan.

The company has no significant risk takers beyond the company's Board of Directors, Board of Management, Head of Risk Management and Head of Legal and Compliance. As the wages in respect of the Board of Directors and Board of Management are specified above, subsequently these are not included again under significant risk-takers.

Amounts in DKK'000	Group		Parent	
	1/1/23- 12/31/23	1/1/22- 12/31/22	1/1/23- 12/31/23	1/1/22- 12/31/22
8 Taxes				
Calculated tax for the period	- 43,754	- 28,464	- 245	- 1,106
Adjustment of previous years taxes	-	- 361	-	-
Deferred tax, adjustment for the year	1,439	- 613	-	-
Total	- 42,315	- 29,438	- 245	- 1,106

The effective tax rate:

Corporation tax rate in Denmark	25.2%	22.0%
Non-taxable income and non-deductible expenses	23.6%	21.0%
Average effective rate of tax	1.6%	1.0%

9 Receivables from credit institutions and central banks	Group		Parent	
	1/1/23- 12/31/23	1/1/22- 12/31/22	1/1/23- 12/31/23	1/1/22- 12/31/22
Receivables from credit institutions on demand	100,246	54,115	29,189	3,618
Receivables from credit institutions and central banks total	100,246	54,115	29,189	3,618

10 Other assets	Group		Parent	
	1/1/23- 12/31/23	1/1/22- 12/31/22	1/1/23- 12/31/23	1/1/22- 12/31/22
Over 5 year	-	-	-	98,875
Over 1 year and below 5 year	-	-	-	51,299
Total	-	-	-	150,174

The intercompany loan has been impaired with DKK 138,967 as of December 31, 2023.

Amounts in DKK'000	Group		Parent	
	1/1/23- 12/31/23	1/1/22- 12/31/22	1/1/23- 12/31/23	1/1/22- 12/31/22
11 Equity investments in subsidiaries				
Costs as of 1/1	-	-	12,223	12,223
Additions during the year	-	-	-	-
Costs as of 12/31	-	-	12,223	12,223
Revaluations as of 1/1	-	-	30,986	19,905
Profit for the year	-	-	122,440	101,496
Equity movement	-	-	4,633	5,585
Dividend	-	-	-118,000	-96,000
Revaluations as of 12/31	-	-	40,059	30,986
Carrying amount as of 12/31	-	-	52,282	43,209

Subsidiaries:	Registered office	Ownership interest
Capital Four Management Fondsmæglerselskab A/S	Copenhagen	100,00%
Capital Four AIFM A/S	Copenhagen	100,00%
Capital Four – Strategic Lending Fund GP ApS	Copenhagen	100,00%
Capital Four – CLO Management GP Aps	Copenhagen	100,00%
Capital Four – US Inc.	New York City	100,00%
Capital Four CLO Management II GP ApS	Copenhagen	100,00%

Amounts in DKK'000	Group		Parent	
	1/1/23- 12/31/23	1/1/22- 12/31/22	1/1/23- 12/31/23	1/1/22- 12/31/22
12 Other property, plant and equipment				
Costs as of 1/1	25,875	25,731	-	-
Additions during the year	74	144	-	-
Costs as of 12/31	25,949	25,875	-	-
Depreciations and impairment losses as of 1/1	24,138	21,910	-	-
Depreciations during the year	1,482	2,228	-	-
Depreciations and impairment losses as of 12/31	25,620	24,138	-	-
Carrying amount as of 12/31	329	1,737	-	-

13 Equity

The company's share capital is divided into A shares, each with a nominal value of DKK 1 and each giving one vote, and B shares, each with a nominal value of DKK 1 without any voting rights.

The share capital consists of:

	Nominal value
Share class A	619,459
Share class B	84,300

The parent company is authorized to issue up to 41,000 warrants which each entitles the holder to receive one share in the company of a nominal amount of DKK 1.

Since 2016 the parent company has issued stock awards which gives the right to ordinary shares in the parent company at a given time 4 years after the grant date.

The exercise price for the issued warrants and stock awards are equal to the fair market value of the shares of the company on commencement date calculated on the basis of the enterprise value.

14 Contingent and contractual liabilities

Amounts in DKK'000	Group		Parent	
	1/1/23- 12/31/23	1/1/22- 12/31/22	1/1/23- 12/31/23	1/1/22- 12/31/22
Danish guarantee fund for depositors and investors	352	352	-	-
Total guarantees	352	352	-	-
Other commitments				
Rent commitments	3,026	2,966	-	-
Total other commitments	3,026	2,966	-	-

The company is taxed with other group companies, the company is liable from 2014 with the other taxed companies for the total company tax. The total known tax liability for the jointly taxed companies amounts to DKK 2,345 K at the balance sheet date.

The company is jointly registered with other group companies for VAT. The company is liable with the other group companies for the total VAT.

15 Security provided

The company has per 31st December 2023 not pledged or given any form of security.

16 Related parties

The company has not completed transactions, granted loans, granted mortgages, provided guarantees for The Board of Directors, The Board of Management or principal shareholder or with companies outside of the company in which the parties have an interest. Any transactions with related parties are based on market conditions.

16 Related parties, continued

The Company has had the following significant transactions with related parties in the financial year:

Amounts in DKK'000	Name	Basis of influence	Nature of transactions	Group		Parent	
				2023	2022	2023	2022
	Capital Four AIFM A/S / Capital Four Management Fondsmæglerselskab A/S	Affiliated company	Allocation of staff and admin costs	101,177	61,165	-	-
	Capital Four AIFM A/S / Capital Four Holding A/S	Affiliated company		-	-	-	-
	Capital Four Holding A/S / Capital Four US Inc.	Affiliated company	Loan	46,892	67,577	46,892	67,577
	Capital Four AIFM A/S / Capital Four US Inc.	Affiliated company	Loan	- 238	430	-	-
	FMS / US	Affiliated company		- 2,856		-	-
Total				147,832	129,172	46,892	67,577

Ownership:

The following shareholders are registered in the company's register of shareholders as holding more than 5% of the share capital:

C4 Investor ApS, Hovmarksvej 20, 2920 Charlottenlund
 C4 Acquisition ApS, Højdyssesvej 7, 4000 Roskilde
 Northill Marvel Luxembourg Holdings S.ä.r.l., Luxembourg

17 Capital adequacy requirements

Capital adequacy requirements according to article 7 of Investment Firms Regulation (2019/2033):

Amounts in DKK'000	Group		Parent	
	12/31/23	12/31/22	12/31/23	12/31/22
Solvency requirements	47,881	33,310	25	25
Own Funds				
Equity	140,781	88,269	154,906	195,279
Proposed dividend	- 50,000	- 28,000	- 50,000	- 28,000
Own Funds	90,781	60,269	104,906	167,279

18 Risk management Group

The most significant operating risks for the group consist of:

- Loss of customers/Assets Under Management. This risk is minimized through: Contractually fixed minimum redemption periods and diversification of the customer base.
- Operational errors leading to losses. This risk is minimized through: Business procedures, including latest IT technology and trading systems and staff training.
- Loss of key staff in the investment team. A focus to reduce key-man risk is competitive compensation packages and continued increase and diversification of the staff.
- Financial risks (credit and market risks). Deemed to be limited for the company and thus insignificant.

As a financial institution, Capital Four Holding A/S assumes market, credit and operational risks. Risk management constitutes a significant activity in the company. The risks are managed according to guidelines on investments in securities as laid down by the Board of Directors. The risks are limited and primarily relate to investments in mortgage credit bonds.

19 Management and Directorships

Management and Directorships held by the Board of Directors in companies as member of the Board of Management or Board of Directors (Chief Executive Officer (CEO), Chairman (CM), Board member (BM), Executive Director (ED)).

Cyrus David Jilla, Chairman of the Board (No Board of Directors and Board of Management remuneration has been paid by the company or by other group companies for 2023).

- B-Flexion Arbor LLC (BM)
- B-FLEXION International GP LLC (BM)
- Boston Pharma Holdings LLC (BM)
- B-FLEXION Capital Holdings (Jersey) Limited (BM)
- B-FLEXION Treasury Limited (BM)
- LM(GP)LTD (BM)
- Longview Partners (UK) Limited (BM)
- B-FLEXION AM Holdings Limited (BM)
- B-FLEXION Corporate Member (UK) Limited (BM)
- Vantage Infrastructure Holdings Limited (BM)
- B-FLEXION Group Holdings SA (BM)
- B-FLEXION Holdings (Switzerland) SA (BM)
- B-FLEXION Holdings SA (BM)
- B-FLEXION International Holdings SA (BM)
- Forge Life Science Partners Holdco LLC (BM)
- Corium Therapeutics Holdings LLC (BM)
- GPC WH Fund GP LLC (BM)
- Gumet Point NSPV GP LLC (BM)
- Evolito Limited (BM)
- Aston Martin Lagonda Global Holdings PLC (BM)

Jonathan Paul Asquith, Board member (No Board of Directors and Board of Management remuneration has been paid by the company or by other group companies for 2023).

- CiCap Limited (BM)
- Collier Capital Limited (BM)
- arbrdn plc (BM)
- B-Flexion Corporate Member (UK) Limited (BM)
- Securis Investment Partners LLP (BM)
- Securis Group Supervisory Board (BM)
- B-Flexion Group Holdings SA (BM)

Dominic Fry, Board member (No Board of Directors and Board of Management remuneration has been paid by the company or by other group companies for 2023).

- Riverbridge Partners LLC (BM)
- Vantage Infrastructure Holdings Limited (BM)
- Capital Four AIFM A/S (BM)
- Capital Four Management Fondsmæglerselskab A/S (BM)
- Capital Four US Inc. (Director)
- Vantage Infrastructure (UK) Limited (BM)
- Capital Four CLO Management II K/S (BM)

19 Management and Directorships, continued

Niels Henrik Roth, Board member

- Capital Four AIFM A/S (CM)
- Capital Four Management Fondsmæglerselskab A/S (CM)
- Zira Invest II ApS (CEO+BM)
- Zira Invest III ApS (CEO+BM)
- Zira Invest IV ApS (CEO)
- Fast Ejendom Danmark A/S (CM)
- Friheden Invest A/S (CM)
- Friheden Invest Holding ApS (CM)
- Arvid Nilssons Fond (BM)
- JaJoPo Invest ApS (CEO)
- Brøndbyernes I.F. Fodbold A/S (BM)
- NOK Infrastructure Feeder GP ApS (CEO)
- Nordic Strong ApS (CM)

Sandro Näf, Board member (No Board of Directors remuneration has been paid by the company or by other group companies for 2023).

- C4 Investor ApS (CEO)
- Capital Four AIFM A/S (CEO)
- Capital Four Management Fondsmæglerselskab A/S (CEO)
- Capital Four CLO Management GP ApS (CEO)
- Capital Four CLO Management K/S (CEO)
- Capital Four US Inc. (BM)
- Capital Four CLO Management II GP ApS (ED)
- Capital Four CLO Management II K/S (CEO)
- Vantage Infrastructure Holdings Limited (BM)

Jonathan DeSimone, Board member

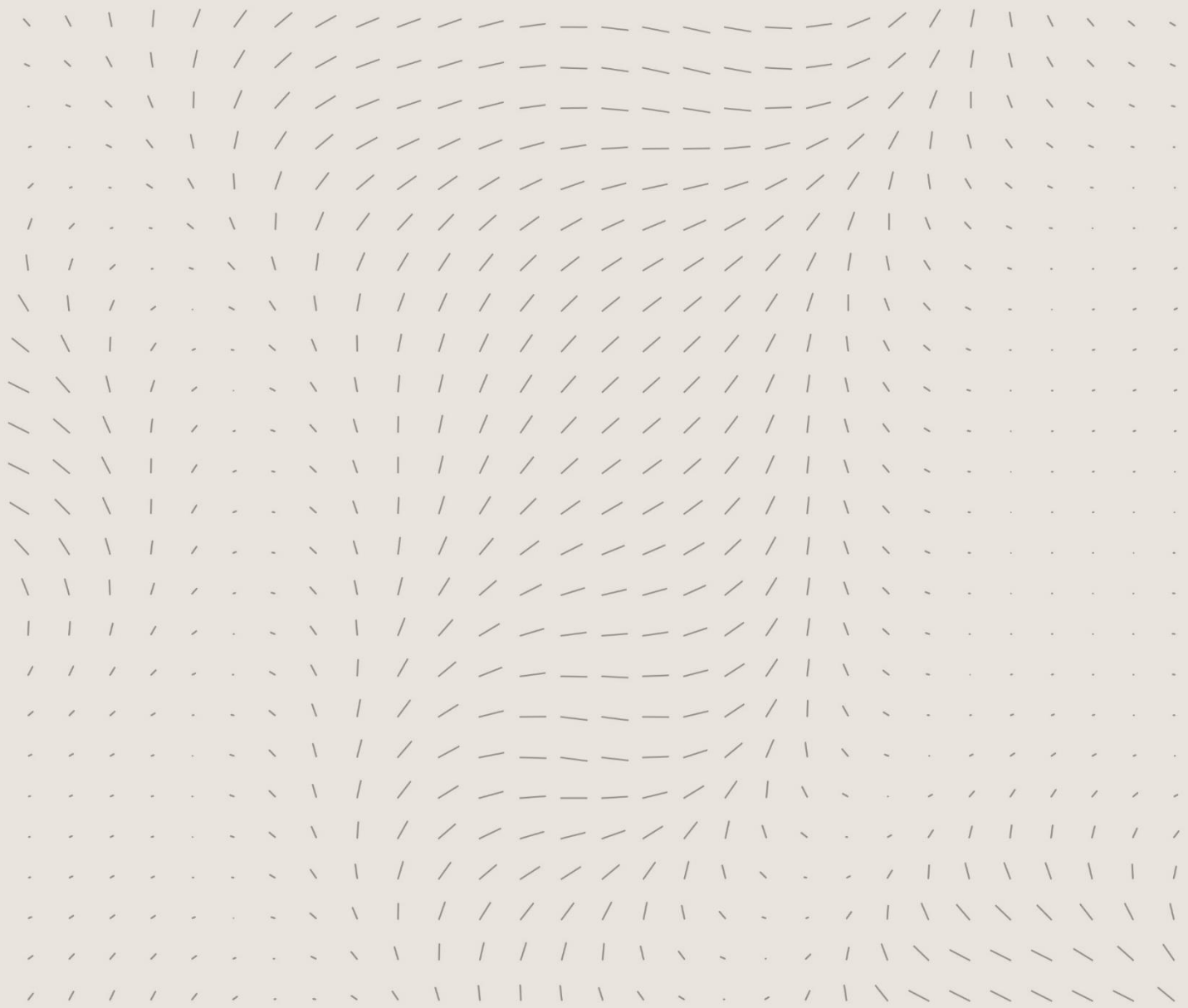
- Meta Investment Group (CEO)
- St Johns Preparatory School (BM)
- Concord Academy (BM)
- Franciscan Childrens Hospital (BM)

Henrik Østergaard, Board member

- C4 Alsønderup ApS (CEO)
- Capital Four Management Fondsmæglerselskab A/S (BM)
- Capital Four Holding A/S (BM)

Torben Magaard Skødeberg, Board member (No Board of Directors remuneration has been paid by the company or by other group companies for 2023).

- C4 Acquisition ApS (CEO)
- Capital Four AIFM A/S (ED)
- Capital Four Management Fondsmæglerselskab A/S (ED)
- Capital Four CLO Management GP ApS (ED)
- Capital Four CLO Management K/S (ED)
- Capital Four CLO Management II GP ApS (ED)
- Capital Four CLO Management II K/S (ED)
- Vantage Infrastructure Holdings Limited (BM)



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